



# Local Contribution

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Frank Hauser, Superintendent  
Juneau School District  
May 14, 2025

Community Schools Program

Before-school Program

Preschool

*Extracurricular Activities/Sports*

Pre-Kindergarten

# Local Contribution

Early Education Program

Food Services

Childcare Services

Nutrition Services

*Learn to Swim*

After-school Program

Pupil Transportation

Food Service	\$125,000
Student Transportation	\$200,000
Community Schools	\$200,000
Learn to Swim	\$50,000
High School Student Activities	\$1,200,000
Middle School Student Activities	\$90,000
Pre-K Programming	<u>\$250,000</u>
<b>Total:</b>	<b>\$2,115,000</b>



*Bradners'*

# Alaska Legislative Digest

*- Commentary on Alaska issues and policy*

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## Stealth raid on school district budgets?

# DEED Proposed Regulation Change to Local Contribution (Sept. 2024)

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4 AAC 09.990(b) is amended to read:

(b) In the definition of "local contribution" in AS 14.17.990,

(1) "appropriations" means money appropriated to a **district** [DISTRICT'S SCHOOL OPERATING FUND] by the city or borough, **but does not include money appropriated for community services, capital outlay, or debt service;**

(2) "value of in-kind services" means the documented fair market value of insurance, utilities, energy, audits, and maintenance of facilities provided at no charge to a district by the city or borough, **but does not include value of in-kind services for community services or teacher housing** [AS REPORTED IN THE DISTRICT'S SCHOOL OPERATING FUND].

# *Three Reasons...*

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## **DEED Gave Three Reasons for Its Proposed Regulation Change:**

- 1) “to better align with the original intent of the Alaska public education funding formula,”
- 2) to “ensure compliance with the federal Impact Aid Program (IAP) disparity test,”
- 3) to “maintain equity in funding between municipal school districts and REAAs.”

# Alaska school districts could take financial hit as education department considers tighter limits on local funding

By Sean Maguire

Published: November 2, 2024

“Parady, executive director of the Alaska Council of School Administrators, said she did not understand why the state was ‘suddenly reinterpreting’ the ‘original intent’ of Alaska’s funding formula.

She said her organization had analyzed the latest state data and found the proposed regulation change would ‘not significantly’ affect Alaska’s chances of passing the disparity test.”

<https://www.adn.com/alaska-news/education/2024/11/02/alaska-school-districts-could-take-financial-hit-as-education-department-considers-tighter-limits-on-local-funding>



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THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Education  
& Early Development**

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December 1, 2023

In order to align with the statutes and recent guidance and orders from the federal Impact Aid Program, DEED intends to propose a regulation amendment to 4 AAC 09.990 to make clear that “local contribution,” as used in AS 14.17.410, is not limited to funds appropriated to or reported in a district’s school operating fund. In consideration of the budgeting process already underway for the FY2025 budget cycle, and the procedures required before a regulation can take effect under the Administrative Procedures Act, DEED would request that any regulation amendment take effect for the FY2026 budget cycle. Of course, any proposed regulation project must go through the required procedures under state law, including a mandatory time period for public comment, and it would ultimately be up to the State Board of Education and Early Development to consider public comment and vote on whether they would adopt any regulation change.



## UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

April 19, 2024

In response to your questions concerning the memo's reference to a potential, upcoming proposal to clarify the State's regulations, Impact Aid Program staff did not ask, or recommend, that DEED change its State regulations. State regulations are not within the Impact Aid Program's interest or purview.

# DEED's Proposed Regulation Change *Conflicts* with Federal Guidance

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Federal Impact Aid Program to DEED: “Transportation revenue is also excluded as it reflects the additional cost of providing free public education in ‘particular types of LEAs such as those affected by geographical isolation’ per 34 C.F.R. § 222.162(c)(2)(ii).”

Although the state will continue to benefit from a federal exception for transportation in its disparity test calculation, it will not allow that benefit for districts in its proposed regulation: “DEED is not proposing to include currently known exceptions like pupil transportation.”

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# DEED's Proposed Regulation Change Will Not Achieve "Equitable Outcome" Sought

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DEED solicited feedback on the proposed regulation change only from the Alaska Association of School Business Officials (ALASBO) Education Policy Workgroup, which opposed the proposed regulation.

Executive Director of ALASBO Darcy Carter "said the organization 'opposes the proposed regulation change' as presented": "Based on our knowledge of Alaska's school districts, we do not believe the proposed regulations will achieve the equitable outcome that is being sought by (the Alaska Department of Education and Early Development) with these changes."

<b>Alaska Department of Education and Early Development</b>	
FY2024 Disparity Test for FY2025 -- Revenue Exclusion	
Compiled from Fiscal Year 2023 Audits	
Prepared for IAP 03/03/2025	
<b>A</b>	<b>W</b>
	FY2024
SCHOOL	REVENUE
DISTRICT	PER ADM
NORTH SLOPE	21,340
BRISTOL BAY	18,514
VALDEZ	14,086
SKAGWAY	11,975
YUKON-KOYUKUK	11,577
YUKON FLATS	11,260
SOUTHEAST ISLAND	11,213
LAKE & PENINSULA	10,785
SAINT MARY'S	10,768
ALEUTIAN REGION	10,500
CHUGACH	10,407
YAKUTAT	10,058
DENALI	9,961
PRIBILOF	9,673
CHATHAM	9,168
PELICAN	9,035
UNALASKA	8,920
NORTHWEST ARCTIC	<b>8,685</b>

In recent years, both an REAA and an organized borough school district not “funded to the cap” have requested predetermination hearings with the federal Impact Aid program, arguing they were adversely affected by the disparity test.

# DEED Proposed Regulation Change Conflicts with DEED's Testimony on Diverse Needs Across State

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“Like I said, some districts, we have one that has approximately 12 students in it and they have no transportation need. It's a very compact community where the children can easily walk to and from school.

And then you have a lot of rural school districts where you have multiple villages within the school district where they have a similar situation where kids might come to school on four wheelers or a snow machine in the winter and there really is no transportation in those communities. And so typically, their costs are going to be pretty low, too.”

- Elwin Blackwell, former DEED Finance Manager, Predetermination Hearing with Impact Aid, 2021





BSA =

“A Rising Tide Lifts All Boats”

## **Title 34 —Education**

### **Subtitle B —Regulations of the Offices of the Department of Education**

#### **Chapter II —Office of Elementary and Secondary Education, Department of Education**

##### **Part 222 —Impact Aid Programs**

##### **Subpart K —Determinations Under Section 8009 of the Act**

**Authority:** 20 U.S.C. 7701–7714; Pub. L. 111–256, 124 Stat. 2643; unless otherwise noted.

**Source:** 60 FR 50778, Sept. 29, 1995, unless otherwise noted.

#### **§ 222.162 What disparity standard must a State meet in order to be certified and how are disparities in current expenditures or revenues per pupil measured?**

(a) Percentage disparity limitation. The Secretary considers that a State aid program equalizes expenditures if the disparity in the amount of current expenditures or revenues per pupil for **free public education** among LEAs in the State is no more than 25 percent. In determining the disparity percentage, the Secretary disregards LEAs with per pupil expenditures or revenues above the 95th or below the 5th percentile of those expenditures or revenues in the State. The method for calculating the percentage of disparity in a State is in the appendix to this subpart.

What disparity standard must a State meet in order to be certified and...

(3) The exclusion method on a revenue basis. The State subtracts revenues associated with the special cost differentials from total revenues, and divides this net amount by an unweighted pupil count.

“The two allowable categories of special cost differentials are—”

(i) Those associated with pupils having special educational needs, such as children with disabilities, economically disadvantaged children, non-English speaking children, and gifted and talented children; and

(ii) Those associated with particular types of LEAs such as those affected by geographical isolation, sparsity or density of population, high cost of living, or special socioeconomic characteristics within the area served by an LEA.



*Gunalchéesh!*

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*Thank you!*